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Labour Costs, Australia

Estimates main labour costs incurred by employers, including employee earnings, superannuation, workers' compensation, payroll and fringe benefits tax

Reference period 2015-16 financial year

Released 10/08/2017

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Key statistics

- Total labour costs incurred by employers were \$760.9 billion.
- Employee earnings accounted for 87.3% of total labour costs.
- Private and public sector labour costs accounted for 77.7% and 22.3% of labour costs for all employers respectively.

Summary of findings

The key findings from the Major Labour Costs survey conducted in respect of the 2015-16 financial year are presented below.

Total labour costs incurred by employers during 2015-16 were \$760.9 billion. Employee earnings accounted for 87.3% of total labour costs. Superannuation was the next largest component of total labour costs at 8.0%.

1. Major labour costs, sector, 2015-16

	Earnings	Superannuation	Payroll Tax	Workers' Compensation	Fringe Benefits Tax	Total Labour Costs
	\$m	\$m	\$m	\$m	\$m	\$m
Private Sector	517,259.6	45,015.9	18,336.4	8,148.5	2,598.5	591,359.0
Public Sector	147,296.5	15,872.2	3,501.9	2,490.7	420.4	169,581.7
Australia	664,556.2	60,888.1	21,838.3	10,639.2	3,018.9	760,940.6

Total labour costs for the private sector accounted for 77.7% of the labour costs for all employers. Total labour costs for the public sector were 22.3% of the labour costs for all employers. Public sector organisations include Commonwealth and state/territory government organisations, local government authorities, public corporations, universities, non-profit institutions controlled by the government, government marketing boards, legislative courts, municipal authorities and other statutory authorities.

2. Major labour costs, states and territories, 2015-16

	Earnings	Superannuation	Payroll Tax	Workers' Compensation	Fringe Benefits Tax	Total Labour Costs
	\$m	\$m	\$m	\$m	\$m	\$m
New South Wales	219,074.2	19,468.3	7,546.5	3,654.3	1,072.2	250,815.4
Victoria	159,580.7	14,346.0	5,377.6	2,478.0	735.7	182,518.0
Queensland	120,562.3	11,505.4	3,538.4	1,588.4	476.3	137,670.9
South Australia	40,326.8	3,760.3	1,079.7	891.3	128.1	46,186.1
Western Australia	88,992.1	7,838.9	3,302.0	1,317.0	449.1	101,899.1
Tasmania	10,648.2	1,043.0	319.5	214.8	26.9	12,252.4
Northern Territory	7,941.7	729.5	283.8	132.4	48.9	9,136.2
Australian Capital Territory	17,430.3	2,196.7	390.8	363.0	81.6	20,462.4
Australia	664,556.2	60,888.1	21,838.3	10,639.2	3,018.9	760,940.6

Earnings

Earnings, which includes gross wages and salaries, the ungrossed value of fringe benefits, and severance, termination and redundancy payments, is the largest component of labour costs. During 2015-16, earnings totalled \$664.6 billion (87.3% of total labour costs).

Superannuation

The value of employer superannuation contributions paid on behalf of employees in

Australia was \$60.9 billion, or 8.0% of total labour costs.

When comparing across states and territories, the Australian Capital Territory had the highest superannuation costs as a proportion of total labour costs (10.7%). The Australian Capital Territory has a larger proportion of Commonwealth employees, many of whom receive higher superannuation entitlements.

Payroll tax

Payroll tax paid by employers totalled \$21.8 billion, representing 2.9% of total labour costs. The private sector accounted for 84.0% of total payroll tax, and the public sector 16.0%.

As a proportion of total labour costs, payroll tax was highest in Western Australia (3.2%) and lowest in the Australian Capital Territory (1.9%).

Workers' compensation

Workers' compensation costs during 2015-16 were \$10.6 billion, representing 1.4% of total labour costs.

As a proportion of total labour costs, workers' compensation costs were highest in South Australia (1.9%) and lowest in Queensland (1.2%).

Fringe benefits tax

Fringe benefits tax paid by employers during 2015-16 totalled \$3.0 billion, representing 0.4% of total labour costs.

Fringe benefits tax as a proportion of total labour costs ranged from 0.2% in Tasmania to 0.5% in the Northern Territory.

Data downloads

Labour costs

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[70.5 KB]

History of changes

Show all

28/08/2017 - Datacube for the 2015-16 financial year added to this issue.

Previous catalogue number

This release previously used catalogue number 6348.0.

Methodology

[Labour Costs, Australia methodology, 2015-16 financial year](#)